Speech of Shri Jagjivan Ram
introducing the Railway Budget
for 1958-59, on 17th February, 1958

Mr. Speaker,

Sir, I rise to place before the House the Estimates of Receipts and Expenditure of the Indian Railways for the year 1958-59.

Financial Results of 1956-57

2. As usual, I shall deal first with the completed accounts of the previous year. The actual gross traffic receipts were Rs. 347.57 crores against the Revised, Estimate of Rs. 350 crores, the shortfall of Rs. 2.43 crores being mainly under the goods traffic. The Ordinary Working Expenses, on the other hand, showed an increase of Rs. 4.91 crores, over the Revised Estimate of Rs. 229.03 crores, due partly to heavier expenditure on repairs and maintenance, and partly to unforeseen miscellaneous expenses under the Suspense head. After allowing for other minor variations, the actual net surplus stood at Rs. 20.22 crores against the Revised Estimate of Rs. 2695 crores. The entire surplus of the year was credited to the Development Fund.

Review of 1957-58-Operation

3. Before I come to the Revised Estimates of the current year, I would like to give the House a broad picture of the operating position on the Railways during the last twelve months. During 1956-57, the first year of the Second Five Year Plan, the total tonnage lifted was 124 million tons against 114 million tons in 1955-56, that is, an increase of 8.8 per cent In the current year, there has been a further increase in traffic. The wagon loadings of originating traffic have risen by 5.3 per cent on the Broad Gauge and 9.5 per cent on the Metre Gauge upto the end of December, 1957. The overall coal loading in the country has increased in the current year by 6 per cent compared to last year; in the Bengal and Bihar coalfields an average of 3,680 wagons are being loaded daily showing an increase of 6.5 per cent Movement of goods traffic via break-of-gauge points has shown a substantial increase, being 13.8 per cent on the broad gauge and 14 per cent on the metre gauge. There has also been a similar increase in the movement of traffic over difficult routes; for example, an average of 2,050 wagons are moved daily via Moghalsarai compared to 1,835 wagons in 1956-57 and 1,700 in 1955-56. Vigorous measures continue to be taken by the Railways to increase the efficiency of operation and better utilisation of rolling stock which have given satisfactory results. This is reflected in the net ton-miles per wagon-day, which is universally accepted as a reliable index of operational efficiency. On the Broad Gauge, the net ton-miles per wagon-day increased from an average of 570 miles in 1956-57 to 630 miles for the period from April 1957 to November 1957, and on the Metre Gauge from 210 to 228 miles for the same period.

Revised Estimates for 1957-58

4.As a result of the increased traffic handled, it is now expected that the Goods earnings for the current year would go upto Rs. 231 crores, or an increase of Rs. 4.5 crores over the Budget. There has also been some improvement in passenger earnings which are now placed at Rs. 120.90 crores against Rs. 119 crores in the Budget. An increase of Rs. 35 lakhs is expected under Other Coaching Earnings, partly due to increase in the volume of parcels traffic and partly to increased rates for military traffic which became effective from 1st June, 1957 with an improvement of Rs. 15 lakhs under Sundry Earnings and other minor variations in Suspense, the gross traffic -receipts for the current year are now estimated at Rs. 384.40 crores.

5.As against the increase of Rs. 6.50 crores in Receipts, there is, however, an increase of Rs. 15.31 crores in the Ordinary Working Expenses. Out of this, Rs. 4.5 crores representing nearly 29 per cent, of the total increase, is attributable to one factor alone, viz. the interim increase in Dearness Allowance, at the rate of Rs. 5 per month recently sanctioned by the Government on the recommendation of the Pay Commission, payable with effect from 1st July, 1957. About Rs. 1½ crores is due to the enhancement of the price of coal since July, 1957. The balance is due chiefly to increases in the repairs and maintenance bill of the Railways, related particularly to track, bridges and safety works, as also, machinery and rolling stock, arising out of the higher level of prices, increased outturn from the shops and increasing traffic. In the net, the surplus is now expected to be Rs. 21.66 crores only, against the Budget Estimate of Rs. 30.83 crores. This amount will be credited to the Development Fund as originally contemplated.

Budget Estimates for 1958-59

6.I turn now to the Budget Estimates for the year 1958-59. In the basis of the present trend of passenger

traffic the estimate under this head has been placed at Rs. 124.73 crores for the next year, an increase of Rs. 3.83 crores over this year's Revised Estimate of Rs. 120.90 crores. The estimate of Other Coaching Earnings has been fixed at Rs. 24.65 crores, involving a reduction of Rs. 60 lakhs over the Revised Estimate of the current year, attributable to the fact that the latter estimate included also the previous year's arrear recovery, at enhanced rates, of hire and haulage charges on postal vehicles. The estimate of Goods Earnings in the Budget year is placed at Rs. 250.50 crores on the basis of the present 12½ per cent surcharge and the anticipated increase in traffic. It is expected that in the coming year, Railways will be called upon to carry about 12 million tons of additional traffic, raising the total traffic to 145 million tons, against the total Plan provision of 162 million tons. Most of the additional 12 million tons likely to materialise in 1958-59 will be on account of the expansion in the Steel Industry and the additional coal raisings. Sundry Other Earnings are expected to be 20 lakhs more than the Revised Estimate of the current year. Allowing for a decrease of Rs. 15 lakhs in the traffic suspense, the Gross Traffic Receipts are estimated to be Rs. 407.48 crores for the next year.

7. The Ordinary Working Expenses for the Budget year have been estimated at Rs. 268.35 crores, representing an increase of Rs. 9.19 crores over the Revised Estimates of the current year. This increase includes about Rs. 4.4 crores mainly on account of the effect of the interim increase in dear ness allowance for the full year against nine months in the current year, annual increments to staff and also on account, of the increase in staff required to handle the increases in traffic. There is also an increase of Rs. 2.5 crores in repair expenses in consequence of the increased movements and larger out-turn of Rolling Stock from the Workshops after periodical repairs and the balance represents the increase in. the coal and other fuel bill.

8. Since the fuel bill constitutes a high proportion of our total operating expenses, and as the need for conservation of high grade coals is of great importance in the national economy, I have setup a small Committee including representatives of the Ministries of Railways and Steel, Mines & Fuel, and of the Council of Industrial and Scientific Research to go into the question of the factors responsible for the increase in expenditure on coal, as also the future requirements of railways fore high grade coal, the prospects of adequate supplies and measures for meeting any anticipated shortage. The Committee is expected to submit its report towards the end of April this year.

9. It is proposed to spend about Rs. 31 crores more on a larger programme of Open Line Works chargeable to Revenue, and with the heavier Capital expenditure on Works, there is an increase of about Rs. 5 crores in the dividend payable to General Finance. Taking all these factors into account, the Revenue Surplus for the Budget year is expected to be Rs. 27-34 crores, which I propose to credit to the Development Fund.

10. The House will recollect, that in my speech introducing the Railway Budget in May last, I referred to the difficulty in the availability of critical materials, especially iron and steel, and mentioned that a serious situation had developed owing to a very big shortfall in the actual supply of these materials in 1956-57, the first year of the present Plan. I am glad to be able to report that the steps envisaged last year for improving the procurement of these materials were fully implemented and have yielded satisfactory results. The procurement of specialised Railway items of steel materials was taken over by the Railway Ministry from the Ministry of Steel with effect from 1st April, 1957, and a Railway Purchase Mission was sent abroad in the summer of last year with a view to locating dependable sources of supply, placing orders and finalising the contracts on the spot, so that the deliveries could commence in the shortest possible time. The Mission entered into contracts for the supply of 5.30 lakh tons of pig iron, steel track materials and wagon plates worth about Rs. 34 crores. Deliveries against these contracts commenced from September, 1957 onwards and are likely to be completed during 1958-59. As a result, it is expected that including indigenous production, 5 lakh tons of steel track materials will be received during the current year as against 3.5 lakh tons in the previous year. With the procurement arrangements already made and to be made, the expectation is, that the receipts of these materials in the Budget year will be even better than those of the current year. While this is no doubt a great improvement, the availability of fabricated bridge girders and signalling equipments is still not quite satisfactory. However, all necessary measures are being taken to improve the supply position of these materials also.

11. I am glad to mention to the House that the improvement in the supply of materials is already reflected in the increased tempo of Works expenditure in the current year. Speaking generally, all the works included in the current year's programme have been in full swing, with nearly 1½ lakh, labourers engaged on the various projects on all Railways during the year. I would mention particularly that the 52 mile long Bhilai-Dhalli-Rajhara line, which was undertaken to carry ore to the Bhilai Steel Plant, and which involved earth-work amounting to 11 crores cubic feet has been completed in one working season. 140 miles of new lines and 13 miles of doubling were opened to traffic during the year, including the Khandwa-Takkal and Hingoli-Kanhergaon sections of the Khandwa-Hingoli Project, the Kottayam-Quilon section of the Quilon Ernakulam project and the Raniwara-Bhildi rail link. The construction of over 500 miles of new lines is in progress. Work is also proceeding on 800 miles of doubling, of which 385 miles are on the South-Eastern, 115 miles on the Southern, 135 miles on the Western,

100 miles on the Northern and 45 miles on the Central Railways. The work on the Ganga Bridge at Mokameh is also proceeding according to schedule, all sub-structure work having been completed and two spans erected already. Some of the Rolling Stock items and Machinery have also been or are likely to be delivered earlier than anticipates at the time of the Budget. In consequence, the Revised Estimates of expenditure on Works, Machinery and Rolling Stock have now been placed at Rs. 235 crores, involving an increase of Rs. 17 crores over the Budget.

12. The estimate for the Works, Machinery and Rolling Stock Programme for the budget year has been placed at Rs. 260 crores. Of this, rolling stock accounts for Rs. 88 crores plant and machinery for Rs. 5 crores, construction of new lines and restoration of dismantled lines for Rs. 29 crores, track renewals for Rs. 33 crores and other Open Line Works etc., for about Rs. 105 crores. As the House is aware, the year 1958-59 is going to be an important landmark in the progress of implementation of the Second Five Year Plan. In that year, both the new steel plants at Rourkela and Bhilai are expected to go into production and the existing steel plants also will substantially increase their output. Coal raisings are expected to increase from 43 million tons in the current year to about 47 million tons next year. All the important line capacity works immediately required for steel works and for increased coal production had already been included in the Railways' Works Programmes for the current year and the previous year and are now under execution.

13. Two important new lines have been included in the programme of the Budget year, namely, the too mile Robertsganj-Garhwa Road line on the Northern Railway, costing Rs. 17 crores and the 40 mile long Muri-Ranchi connection, costing Rs. 5.9 crores on the Eastern Railway. The former is required as an alternative route from the Barkakana coalfields to North India to reduce the ever-increasing pressure via Moghalsarai and also for opening up the Rihand Dam area in Uttar Pradesh. The second is actually a part of the Chandrapura-Muri-Ranchi-Bondamunda Project intended to serve the steel plants at Rourkela and Bhilai. The first phase of this project, the Chandrapura-Muri-Link, is already in progress. The construction of Barabil-Pamposh Gorge siding for the Rourkela Project has just been sanctioned at a cost of Rs. 1.17 crores. Other important new line capacity works provided in the Budget are, 68 miles of doubling between Drug to Kamptee costing Rs. 7.80 crores, doubling of Vizianagram-Gopalapatnam Section costing Rs. 3.80 crores and of Anuppur-Katni Section costing Rs. 6.7 crores, all on the South-Eastern Railway. Provision has also been made for the conversion of the Gudivada-Bhimavaram Section of the Southern Railway from metre gauge to broad gauge, costing Rs. 2.25 crores, and doubling of Khagaria-Katareah Section between Katihar and Barauni in North Bihar at a cost of Rs. 1.88 crores. All these works are required to increase the respective sectional capacity in different parts of the country to cope with the increased volume of both goods and passenger traffic at the end of the Second Five Year Plan, and the beginning of the Third Plan.

14. The track renewal programme has been considerably stepped tip from Rs. 28 crores, provided in the Revised Estimate of the current year to Rs. 33 crores in the budget year. This has been possible in view of the improved availability of rails and sleepers.

15. As usual, a provision for about Rs. 3 crores has been made for amenities for Railway users and Rs. 11 crores for staff quarters and staff amenities.

16. In my Budget speech last May, I mentioned that the technical details of electrification of certain sections of railway with 25 KV AC 50 cycles Single Phase were under investigation. These investigations have since been completed and it has been decided to adopt this system not only for the main line sections of the Eastern and South Eastern Railways, but also for the electrification of suburban areas around Calcutta. As this system of electrification is quite new to this country, the French National Railways, who have made considerable advancement in this line, have been appointed as Technical Associates to advise on all technical problems connected with electrification under 25 KV AC system, and also supervise the actual execution of the Projects. The total length of sections included in the Budget for electrification under this system is 1,062 miles, with an anticipated cost of about Rs. 75 crores. Obviously, all these sections cannot be executed simultaneously with the same speed. The sections, which will be given the highest priority in execution, are those which will have to cope with the increased traffic when the steel and coal output reaches the targets envisaged in the Plan. These are from Howrah to Moghalsarai on the Eastern Railway and from Asansol to Tatanagar and Rourkela and Rajkharswan to Barajamda on the South Eastern Railway. Orders for the first batch of 110 AC locomotives have been already placed and tenders invited for the supply, erection and commissioning of overhead equipment for these sections. It is expected that the electrification of these important trunk routes will be completed before the end of the Second Five Year Plan, well in time, before the full load of traffic devolves on them. The total expenditure likely to be incurred in 1958-59 for all the Electrification Projects provided in the Budget, is Rs. 16.29 crores.

The work of electrification of Madras-Egmore-Tambaram-Villupuram section had to be slowed down on

account of the difficulty experienced by the Madras Electricity Grid Authorities to import steel towers for transmission lines required for power supply to this section for want of foreign exchange. The Grid Authorities have recently indicated that they are in a position to meet the Railways' demand for electrification of this section. However, they have stipulated that the set up of unbalance and harmonics on the supply system due to single phase traction load, should be maintained within the limits acceptable to them. The work on this section will now be progressed on AC Single Phase system after study of the effects of unbalance and harmonics etc. In the meantime, the other works such as removal of infringements, re-spacing of track etc., are being carried out.

Extension of electrification on the Bombay-Delhi main line from Igatpuri to Bhusawal over the busy ghat section has become an operating necessity, but there are difficulties to obtain power supply immediately. In the meantime, the Civil engineering portion of the work to ease infringements, re-space tracks, obtain additional clearances, etc., which take a long time to complete under busy traffic conditions, will be taken in hand.

17. Nearly 1,600 miles of Surveys, out of 2,500 miles in progress at' the commencement of the year, have been completed, including Guna-Ujjain, Satna-Rewa-Govindgarh, Hindumalkote-Sri Ganganagar, Dongarpur-Ratlam, Bhavnagar-Tarapur, Jhund-Malia-Jamnagar and Bhaili-Bhadran-Sojitra-Dholka on the Western Railway, Damodar-Kalipahari, Chandrapura-Muri-Ranchi-Bondamunda and Bakhtiarpur-Rajgir on the Eastern Railway, Pehowa-Kurukshetra and Robertsganj-Garhwa Road on the Northern Railway, Rampur-Haldwani on the Northeastern Railway, Pandu-Amjanga on the Northeast Frontier Railway, Bangalore-Salem, Tellicherry-Coorg-Mysore on the Southern Railway and Champa-Korba extension on the Southeastern Railway. Survey Reports on Guna-Ujjain, Damodar-Kalipahari, Chandrapura-Muri-Ranchi-Bondamunda, Pehowa-Kurukshetra and Bangalore-Salem have been received and others are in the course of preparation. Surveys for go miles were sanctioned during the year, namely, for Domohani-Alipur Duar on the Northeast Frontier Railway, Ghaziabad-Tughlakabad line on the Northern Railway and Kathara branch in the Bokaro coalfields on the Eastern Railway. As I mentioned during the last Budget debates, limitation of funds has reduced the prospects of undertaking any new lines, other than those already approved by the Planning Commission and if is not therefore proposed to undertake more new surveys, when all resources and efforts are urgently required for other engineering works in hand.

18. As the House is aware, we succeeded in obtaining a loan of 90 million dollars equivalent to Rs. 42.84 crores from the World Bank last year. The loan became effective in September 1957. More than half of this amount has already been utilised and the balance is expected to be used up in the next few months as more payment obligations mature. Apart from this loan from the World Bank, assistance has also been received under the Indo-American Technical Co-operation Programme and the Colombo Plan. Realising, however, the seriousness of the country's foreign exchange position, the railways are making every effort to reduce the dependence on imports from abroad to the maximum extent possible.

19. Turning now to other aspects of Railway Administration and Operation, I would first invite the attention of the House to the decision announced some time back to bifurcate the Northeastern Railway and to create a new Railway Administration with headquarters at Pandu. The Northeast Frontier Railway with a mileage of about 2,000 was inaugurated on the 15th of last month. The creation of this new Zonal Railway Administration, though small in size compared to other units, bas been necessitated by manifold considerations-strategic, administrative and operational. It is of vital importance that there should be a dependable, continuous and all-weather line of communication between the Eastern Frontier and the rest of India. Besides, there is also the urgent need to augment rail transport capacity for economic expansion and industrial development of this area. It was, therefore, considered imperative to set up at Pandu a full-fledged administrative machinery to be in close touch with the day-to-day railway operation and competent to deal with the immediate as well as long-term problems.

20. To improve the line of communication, measures are already on hand to strengthen all weak bridges and regrade steep sections on the Assam rail route under an experienced officer especially appointed for this purpose. As the House is aware, there was no serious breach in the link route and no holdup of traffic during the monsoon of 1957. Works at site are going ahead and an allotment of Rs. 3.5 crores has been sanctioned for this purpose. Most of the major works will be completed before the next monsoon and the remaining works will be all completed during the working season of 1958-59. An engineering survey is being carried out for an alternative alignment from Domohani to Alipur Duar or Cooch Behar, reconnoitering at the same time the possibility of crossing over the Teesta river to join with the Siliguri-Haldibari branch. The preliminary measures for the construction of a bridge over the Brahmaputra near Pandu have sufficiently advanced and the work is expected to commence in the next working season.

21. Regarding the question of indigenous production of railway equipment, I am happy to be able to say that capacity for production of rolling stock in the country has shown a further increase during the current year

258 locos, 1,500 coaches and 16,800 wagons are expected to be produced in 1957-58 as compared to 234 locos, 1,236 coaches and 15,985 wagons in the previous year. The import of general service wagons was discontinued quite a long time ago and that of steam locomotives has also now been stopped, except for a few required for the Narrow Gauge lines. The Development Cell in the Board's Office working in collaboration with the Development Wing of the Commerce and Industry Ministry is making continued progress towards development of further manufacturing capacity in the country, which will, in turn, conserve the much-needed foreign exchange. Out of the total provision of Rs. 87.95 crores for Rolling Stock in the Budget for 1958-59, Rs 60.17 crores will be spent in the country and Rs. 27.78 crores only will be spent on imports from abroad, including customs, freight, handling charges, etc.

The Chittaranjan Locomotive Works produced 156 locos in 1956-57 and are expected to produce 168 locomotives in this year and an equal number in the next. Telco Works delivered 78 locomotives in the last year against which the number expected in the current year and the next year is go and 100 respectively. The output of the Integral Coach Factory at Perambur, which was 88 unfurnished coaches in 1956-57, is expected to rise to 180 this year and 295 next year. Full production of 350 coaches under single shift working is expected to be achieved in the year 1959-60. For intensive utilisation of the Plant and reducing the cost of production, it is proposed to introduce double shift working from 1st April, 1959 resulting in the production of 180 more coaches by the end of the Second Plan period. A temporary furnishing unit is already functioning at the factory and work on a permanent furnishing unit at a cost of Rs. 3.69 crores has also been taken in hand.

22. The programme for the provision of passenger amenities which is broadly directed towards the provision of basic minimum amenities at all stations, irrespective of size, has been carried on steadily during the last few years, and it is proposed in spite of other pressing demands on our limited financial resources to continue with this programme, consistently with economy in the use of cement, iron and steel which are in short supply. Arrangements for the advance booking of seats for the III Class passengers have recently been extended and railway reservations are being arranged on all mail, express and Janata trains not only from the starting stations but also from selected intermediate stations. An experiment is also being tried out for providing separate accommodation on one pair of long distance Janata trains on each Railway for passengers travelling upto 150 miles, 300 miles, 500 miles and over 500 miles, the passenger tickets and carriages for these zones being distinctly marked to facilitate identification. Public reaction to this experiment will be ascertained by deputing special staff to travel on such trains and report on the actual working of the arrangements. Six coaches with a two-tier arrangement for sleeping berths are on trial in addition to the three-tier sleeper coaches already in service. A new design of three-tier sleeping berths has also been evolved. The relative advantages of all these types of coaches as well as military sleeper cars, which had also been suggested for consideration, are being assessed, preparatory to constructing more III Class sleeper-*cum*-sitting coaches and extending the facilities to more trains.

23. I am aware that the problem of overcrowding is still far from being solved. As I have explained on previous occasions the difficulties confronting the Railways in eliminating overcrowding are the limited financial and material resources available, the limited capacity for building coaching stock, the acute shortage of line capacity vis-à-vis the increased demands for goods and passenger transport and the necessity in the larger interests of the country's economy, of meeting goods transport requirements adequately before diverting available capacity or resources to relieving overcrowding. I am afraid these difficulties still continue to be as formidable as ever. Whatever palliative measures are possible to reduce overcrowding in the areas in which it is most acute, are, however, being taken and considerable thought has been devoted to improvements possible within the existing limitations, such as, putting III Class coaches on trains in place of air-conditioned coaches and dining cars on sections where circumstances justify such a course and increasing the number of coaches on trains, where possible, even at some sacrifice of speed. New passenger trains have also been introduced, 119 on the Broad Gauge and 43 on the Metre Gauge in 1956-57 and 118 on the Broad Gauge and 27 on the Metre Gauge during the current financial year upto 1st December 1957. The run of 55 Broad Gauge trains and 42 Metre Gauge trains was extended in 1956-57 and of 32 more Broad Gauge trains and 36 more Metre Gauge trains in the current year. With all these new trains and extensions, the daily train mileage has increased by about 23,000 miles. The Deluxe train service between New Delhi on the one hand and Howrah, Bombay and Madras on the other has now been operating for over a year. In view of the low occupation ratio of III Class air-conditioned accommodation, particularly during the cold weather, it has been decided to replace one or more such coaches by ordinary III Class stock within the hauling capacity of the locomotives at the prescribed speeds.

There has been considerable improvement in the suburban passenger services also. 65 new trains were introduced, and the run of 33 extended in 1956-57 and in the current year 86 new trains have been introduced and the run of r6 trains extended upto 1st December, 1957.

24. The scheme for the introduction of departmental catering at selected stations has been implemented,

and the process of its consolidation at these stations is continuing. I have no doubt that, by and large, departmental catering has been well received by the public.

25. The Railway Users' Consultative Committees constituted at different levels continued to render valuable co-operation and assistance to the Railway Administrations in their endeavour to improve the quality and efficiency of the service rendered. Auxiliary Committees like the Time Table Committee, the Catering Supervisory Committee and the Bookstall Committee have also contributed many valuable suggestions in their respective spheres. In order to extend the field of liaison with the Railway users, it has recently been decided to set up Divisional Railway Users' Consultative Committees on each Division of the Railways organised on the Divisional system, instead of one Committee for two or three Divisions together.

26. It is a matter of great regret that, in spite of educative propaganda against the misuse of the alarm chain apparatus as well as measures like the blanking off of the apparatus on certain trains, and intensive checks by selected staff in collaboration with the police, the number of cases of alarm chain pulling still continues to be very high. During the last twelve months, the number was as high as 40,000 of which only less than one tenth could be in circumstances in which the use of the apparatus was justified. I would request the co-operation of the House in awakening public conscience against this mal-practice, which aggravates the difficulties of limited capacity for moving traffic, not to mention the immediate inconvenience to other users of the Railway.

I must here again bring to notice that ticketless travelling is another evil which cannot be effectively checked without strong public support. In order to obtain an independent assessment of the extent of ticketless travelling in different areas, an intensive check on all Railways was carried out during the period January to August 1957 by a temporary organisation set up under the direct control of the Railway Board. On the results of this investigation, an intensification of check on badly affected sections has been ordered.

27. The problem of corruption on the Railways is being tackled vigorously. The Vigilance Organisation has been placed under a Director of the Railway Board and a Central Investigation Agency has also been organised for the investigation of important cases of corruption on the Railways. The Vigilance Organisations on the Railways have expanded their activities during the year, the emphasis being on prevention besides covering promptly all complaints of corruption. A total of 3,518 cases were examined on all the Railways and after due enquiry, appropriate disciplinary action was taken against the staff found at fault. All information is sifted and verified and specific complaints are followed up. This has gone a long way in improving public confidence and relations. Measures, like special watchers at important stations, raids for locating corrupt practices and watching of placement and delivery of wagons have been intensified.

It is heartening that the public are offering greater cooperation to the Administration in rooting out this evil. Here again, it is, in the ultimate analysis, the awakening of the social conscience of the Users as well as the Railwaymen that can effectively liquidate corruption.

With the passing of the Railway Protection Force Act, statutory status has now been accorded to the Railway Protection Force, and armed with the powers conferred by the Act, it should enable them to be more effective.

28. Claims for compensation for goods lost or damaged, which during the past few years had been showing a persistent tendency to increase in numbers, appear to be now on the decline. In spite of the increase in the volume of traffic carried by the Railways under conditions of near saturation, there has been a reduction of nearly 13,500 in the number of fresh claims registered during the first eight months of this year, as compared to the corresponding period of the previous year. This change in the trend indicates that the activities of the Claims Prevention Organisation created in 1955 and the re-organisation of the Railway Protection Force are bearing fruit. The balance of claims pending disposal, which stood at 73,162 at the end of March, 1956 came down to 56,891 at the end of March, 1957, and was only 47,647 at the end of November, 1957.

29. In my last Budget Speech, I stated that a complete examination of the recommendations of the Railway Freight Structure Enquiry Committee and the preparatory work like the amendment of the Goods Tariff and the preparation of mileage tables etc. would be completed by' the end of the year 1957.

Since then, the examination of the recommendations of the Committee in regard to the constitution, jurisdiction and rules of procedure of the Railway Rates Tribunal has been completed and necessary legislation passed to amend the Indian Railways Act. Based on the recommendations of the Committee, the important changes made in the Act are : -

(i) that the Tribunal, instead of consisting of three members, all of whom have been or are qualified to be

High Court judges, will consist of a Chairman who is or has been a High Court or Supreme Court judge and two other members who have special knowledge of commercial, industrial or economic conditions of the country or of the commercial working of the railways; and

(ii) that in matters pertaining to classification or reclassification of any commodity, the Tribunal will have only advisory functions.

The examination of the Committee's recommendation for the amendment of the statutory provisions regarding the responsibility of railways as carriers is in hand, but it will take some time more to be completed. The Committee themselves had recommended that the changes in this regard be implemented one year after the introduction of the revised freight rates structure.

In regard to the Committee's recommendations pertaining to the revision of the rates structure, the examination is now in the final stages, and decisions thereon are expected to be taken and implemented in the near future.

30. Recently, there have been three serious accidents to trains carrying passengers, resulting in a large number of casualties. The House is already aware that in two of these cases, Commissions of Enquiry presided over by High Court Judges were set up and the third case has been enquired into by the Government Inspector. The report of the Commission in respect of the Bombay-Calcutta Mail accident has been received. The finding of the Commission, which has been accepted by the Government, is that the derailment of the train was the result of a deliberate act of sabotage committed by some person or persons unknown.

The occurrence of these accidents in quick succession has been a matter of grave concern to all of us. I had, therefore, recently called a special meeting of the General Managers to discuss with them the whole problem of accidents with a view to initiating effective measures for bringing about an improvement. The discussion confirmed that human failure largely accounts for these accidents. Technical improvements, which can help to mitigate the incidence of human element, are being progressively effected, but a significant improvement can only be expected if all those engaged in the running of railways are fully alive to their duty and responsibility.

The General Managers have been asked to intensify outdoor supervision, to check up on the strict observance of rules for safe working and to impress upon the staff the great responsibility for safety of travel, which rests upon them. I would also request the Labour Unions to extend their full co-operations to the Railway Administrations in this endeavour.

31. As the House is aware, the Government have appointed a Pay Commission in August 1957, the main terms of reference being to examine the principles which should govern the structure of emoluments and conditions of service of the Central Government employees. The Commission have been requested to make their recommendations to the Government as soon as practicable, but in the meanwhile they could consider demands for relief of an interim character and send reports thereon. The Pay Commission have already submitted their recommendation regarding interim relief which, as I have mentioned earlier, has been accepted by Government and implemented.

32. The House will be glad to know that a Pension Scheme has been introduced for all Railway servants. Those Railway servants who were in service on 15th November 1957 or demitted service between 1st April 1957 and 15th November 1957 have, however, been given an option to be governed by the existing State Railway Provident Fund Rules or to come over to the Pension Rules. Even after the introduction of the Pension System, staff eligible for pension shall continue to subscribe to the State Railway Provident Fund at the existing rate on a compulsory basis. Such staff will, however, not be eligible for any Government Contribution to State Railway Provident Fund.

33. As mentioned by me during the budget speech in May last year, a committee with Shri Tapase as Chairman was appointed to review the channels of promotion of Class IV staff and connected matters. The Committee have completed their investigations and have recently submitted some of their recommendations, pending finalisation of their report which is due by the end of this month.

34. In my last Budget Speech, I referred to the expansion of medical facilities for the Railwaymen and their families. There were 81 hospitals and 434 dispensaries at the end of 1956-57 and since then 3 hospitals and 11 dispensaries have been added and a further addition of 9 hospitals and 59 dispensaries is planned for the next three years. The number of beds has consequently increased from 3,543 to 3,936 and would ultimately be 5,230. Special attention has been paid to the expansion of facilities for treatment of T.B. In addition to the 646 T.B. beds reserved at the end of 1956-57, 273 more beds have been sanctioned uptill now. It is expected to

increase the number of beds to 1,350. A number of chest clinics for providing domiciliary and out-door treatment of T.B. patients and controlling the spread of T.B. have been established. Sanction has also been given for the reimbursement of medical expenses incurred by Railway employees and members of their families in connection with the treatment of T.B. in recognized sanatoria. The Medical Attendance Rules have been reviewed and certain disabilities attached to Class IV staff have been removed and they have now been placed on a par with other categories of staff.

35. The question of improved housing and other amenities for Railway staff has always been kept in the forefront. Last year, about 10,000 quarters were built and during 1957-58, 16,000 quarters are expected to be built. Provision has also been made for 15,000 quarters in the Budget for the next year. In all, during the Second Plan period 64,500 new quarters will have been constructed. In addition to this, improvements to existing quarters such as structural alterations, electrification, provision of water-borne sewage etc., have been undertaken on a large scale and will continue to be made in the Budget year also.

36. The House is aware that Railways maintain a large number of Primary, Middle and Secondary Schools and also render financial assistance to non-railway schools which cater primarily to the needs of Railway employees' children. There has been some expansion by way of more classes or higher classes in the existing schools. We have been also anxious to participate in the scheme of the Central Education Ministry for converting High Schools into multi-purpose schools and so far, the High Schools at Kharagpur and Golden Rock, Trichinopoly have been approved for conversion into multi-purpose schools. More schools will be so converted in the future.

I wish to mention to the House that on the inauguration of the Northeast Frontier Railway, the Railway has taken over two privately-managed High Schools, one at Pandu and the other at Alipur Duar with a view to improving the schools and expanding them so as to provide adequate facilities for the education of Railwaymen's children in those places.

In my Budget speech in May last, I referred to the opening of a residential school in each linguistic area to meet the needs of employees, serving outside their linguistic area. Proposals to set up subsidized hostels have been received and are under examination including the quantum of subsidy to be given.

The House will recall that in his Budget speech for 1956-57, my predecessor referred to a proposal to award 1,000 scholarships of Rs. 15 to 50 per month for technical education being under consideration. The first lot of these scholarships was sanctioned in 1956-57. The scholarships will be awarded annually and will be available to children of certain categories of Class III employees and all categories of Class IV employees. Of these scholarships, 12½% and 5% have been reserved for children of employees belonging to the Scheduled Castes and Scheduled Tribes respectively.

37. The existing facilities for imparting training to the new recruits in the various Railway Services and arranging refresher and promotion courses for the existing staff have been considerably augmented. Basic training centres have been opened in a number of major workshops and Running sheds and further extension in this direction is under consideration. A Signal and Tele-communication school has been set up at Secunderabad for training officers and staff of the Signal Engineering Department.

38. This was another year of fruitful co-operation between labour and Management. Periodical meetings between the Railway Board and the National Federation of Indian Railwaymen which could not be held for some time past for various reasons, were resumed in July, 1957, and agreements reached on a number of points brought up by the Federation. The *Ad Hoc* Tribunal has also resumed its work and is dealing with two out of the five items originally referred to it, agreement between the Railway Board and the Federation having been reached in respect of other items. I expect that it will complete its work shortly.

39. The differences within the National Federation of Indian Railwaymen seemed to have widened and the All India Railwaymen's Federation was revived. Simultaneously with its formation, the new Federation also passed a resolution calling for a strike on all Railways in case the various demands put forward by it were not conceded. The main demand was recognition of the new Federation. Government consider that the interests of Railway workers would be best served by having only one Federation of all Railway Unions at the All India level and have, therefore, consistently emphasised the need for unity among railwaymen and appealed to them to have only one Federation. In November last, representatives of the Federations met and it is heartening that they have agreed to implement by the 31st July, 1958 the Unity Agreement made by them in March 1956. The progress so far made in this direction, I understand, is satisfactory.

40. Before I conclude I would like to record my appreciation of the assistance and co-operation I have

received from all Railwaymen. The Second Five Year Plan is a gigantic experiment in national reconstruction and the Railways have to play a crucial role in bringing it to successful fruition. In spite of set-backs here and there, the Railwaymen have as a rule responded well to the call of the nation and have made improvement in Railway Operation. There is, however, no room for complacency and I am sure, that the Railwaymen will continue to keep before them the highest ideals of dedicated service to the country.

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